

Annex "A," Subparagraph 3b,

Economic Background

INDUSTRIAL POTENTIAL

- 135 Raw Material Resources. Although Estonia lacks metal ores she possesses several other valuable natural resources: oil-shale, peat, phosphorite, limestone and dolomite, clay, sand, and gypsum in addition to her forests and "white coal" (water power).

Oil-shale is Estonia's most valuable natural resource. It is found in northeastern Estonia in the large coastal areas of Virumaa. These reserves are estimated at approximately 5 billion tons. They are situated close to the earth's surface and in some places open onto the surface. Oil-shale can be used as fuel or the processing of oil. Estonian oil reserves amount to approximately one billion tons. From

135 this raw oil can be obtained in refineries high-quality heating and impregnation oils, gasoline, motor petrol, Diesel oils, pitch and asphalt, and other products. Oil-shale as a fuel is more economical than coal, and many industries and railroads changed during the Estonian independence period from coal to oil-shale.

There are great reserves of peat in Estonian moors which are estimated at approximately 1.5 billion tons of air-dry peat. This is about 30 per cent of the total fuel value of the oil-shale reserves. By furnishing peat for domestic use the Estonian state freed the more valuable oil-shale and timber for export.

Phosphorite (P_{205}) reserves are in North Estonia, in Harjumaa coastal areas, and are estimated at 51 million tons. The consumption of phosphorite in Estonian agriculture is

- 135 approximately 40,000 tons yearly. It is used either as raw chopped phosphorite or processed as superphosphate. It is also used as a poultry food.

Limestone, clay and gypsum were being increasingly used in the domestic industries of independent Estonia. Unlimited quantities of clay enabled brick-kilns to produce high-quality bricks. The government supported and encouraged also the construction of brick buildings for safety purposes. Limestone is an old building material in Estonia and several centuries-old limestone walls and fortresses are still standing.

- 137 Timber. Estonia does not possess such forest riches as does Finland, but the yearly growth of Estonian forests (3.40 cubic meters per ha.) is greater than in Sweden (2.06) and Finland (1.77). Timber is used in Estonia's plywood,

